

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of)

Alaska Democratic Party and Rolando Rivas, in)
his official capacity as treasurer¹)

MUR 5575

Tony Knowles for U.S. Senate Committee and)
Leslie Ridle, in her official capacity as)
treasurer)

2 **GENERAL COUNSEL'S REPORT #3**

3
4 **I. ACTIONS RECOMMENDED**

5 Find probable cause to believe the Alaska Democratic Party and Rolando Rivas, in his
6 official capacity as treasurer ("ADP"), violated 2 U.S.C. §§ 441a(a)(2)(A) and 441d(a); find
7 probable cause to believe Tony Knowles for U.S. Senate Committee and Leslie Ridle, in her
8 official capacity as treasurer ("Knowles Committee"), violated 2 U.S.C. § 441a(f); and approve the
9 attached conciliation agreements.

10 **II. BACKGROUND**

11 This matter concerns excessive in-kind contributions by ADP to the Knowles Committee in
12 connection with Tony Knowles' 2004 campaign for U.S. Senate in Alaska. ADP produced and
13 distributed communicative materials promoting Knowles or attacking his opponent, which do not
14 fit within the "volunteer materials" exemption of the Federal Election Campaign Act of 1971, as
15 amended ("the Act"), and the Commission's implementing regulations. 2 U.S.C. §§ 431(8)(B)(ix),
16 (9)(B)(viii); 11 C.F.R. §§ 100.87, 100.147. Our investigation revealed evidence that a majority of
17 the expenditures ADP claims are covered by the Act's volunteer material exemption did not satisfy
18 the necessary criteria and were coordinated with the Knowles Committee. In addition, the printed

¹ Joelle Hall served as treasurer of this committee during the time of the activity at issue.

1 materials not qualifying as exempt activities failed to include adequate disclaimers. 2 U.S.C.
2 § 441d(a).

3 By letters dated December 22, 2008, we served General Counsel's Briefs ("GC Briefs"),
4 incorporated herein by reference, to counsel representing Respondents. As discussed below and in
5 the GC Briefs, the factual record developed during the investigation shows that from September 1,
6 2004 through October 28, 2004, ADP produced and distributed communicative materials
7 promoting Knowles or attacking his opponent that cost at least \$944,331, all of which ADP
8 originally disclosed in its FEC reports as disbursements exempt from the definitions of
9 "contribution" and "expenditure" as defined by the Act. 2 U.S.C. §§ 431(8)(B)(ix), (9)(B)(viii).
10 See also First General Counsel's Report, dated March 1, 2006, at 18-20. Our investigation also
11 revealed that \$675,926 of ADP's disbursements for purportedly exempt materials were paid with
12 national party committee funds, and therefore, did not meet the necessary criteria for the
13 exemption. 11 C.F.R. §§ 100.87(g), 100.147(g). Our GC Briefs also establish that ADP and the
14 Knowles Committee coordinated the non-exempt communications for which ADP paid, that the
15 resulting in-kind contributions exceeded the Act's limitations on what ADP could contribute to the
16 Knowles Committee during the relevant time period, and that the non-exempt materials lacked the
17 required disclaimers.

18 On January 27, 2009, after granting Respondents' request for a twenty-day extension to file
19 a response, Respondents submitted their Reply Brief to the Commission. Respondents' arguments
20 are summarized as follows: (1) that 11 C.F.R. § 100.87(g) does not apply because the GC Briefs
21 do not show that the funds DSCC provided to ADP were earmarked for the express purpose that
22 they be used in the Knowles 2004 U.S. Senate Race; (2)

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1 _____ the costs of canvassed campaign
2 materials and lawn signs, which it alleges are not "public communications" and thus not allocable
3 against 2 U.S.C. § 441a(d) limitations; and (3) that the "transfer down" restriction set forth in
4 11 C.F.R. § 100.87(g), which provides, *inter alia*, that materials purchased by a State or local party
5 with funds provided by a national party committee do not qualify for the volunteer materials
6 exemption, is unconstitutional under the First and Fifth Amendments of the United States
7 Constitution, and is arbitrary and capricious. See Reply Brief, dated January 27, 2009.

8 As discussed below, the Reply Brief fails to rebut the evidence set forth in the GC Briefs
9 establishing that ADP coordinated non-exempt disbursements with the Knowles Committee in the
10 amount of \$675,926, that the coordinated party expenditures exceeded the Act's limits, and that
11 the mailers lacked appropriate disclaimers. Accordingly, we recommend that the Commission find
12 probable cause to believe that the Alaska Democratic Party and Rolando Rivas, in his official
13 capacity as treasurer, violated 2 U.S.C. §§ 441a(a)(2)(A) and 441d(a), and probable cause to
14 believe that Tony Knowles for U.S. Senate Committee and Leslie Ridle, in her official capacity as
15 treasurer, violated 2 U.S.C. § 441a(f).

16 **III. DISCUSSION**

17 **A. \$675,926 of ADP's Disbursements for Purportedly Exempt Materials Did Not**
18 **Meet the Criteria for the Volunteer Materials Exemption.**

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20 **1. The Materials were Paid for with National Party Committee Funds.**

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22 Respondents assert that the communicative materials at issue were not contributions from
23 ADP to the Knowles Committee because they were labeled by volunteers, sorted by volunteers,

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1 and distributed using non-commercial lists.² Reply Brief at 2. Respondents also assert that these
2 materials were paid for with "hard" money from the ADP's federal account. *Id.* According to
3 Respondents, it is not sufficient to show that the ADP purchased volunteer materials with national
4 party funds, but it must also be shown that the Democratic Senatorial Campaign Committee
5 ("DSCC"), a national party committee, contributed funds to the ADP with the "express purpose"
6 that these funds be used to purchase volunteer materials. Reply Brief at 3.

7 There is no indication in the regulation or the relevant legislative history that the exemption
8 is unavailable only if the national committee funds were donated to the State committee for the
9 "express purpose" of funding the materials. See 11 C.F.R. § 100.87(g). According to the
10 legislative history of the relevant statutes, the purpose of the volunteer materials exemption
11 provisions is to encourage volunteers to work for and with local and State political party
12 organizations. See 2 U.S.C. §§ 431(8)(B)(ix) and (9)(B)(viii); H.R. Rep. No. 96-422, at 193
13 (1979). The Commission's implementing regulations at 11 C.F.R. § 100.87(g) (exceptions to
14 contributions) and 11 C.F.R. § 100.147(g) (exception to expenditures) in connection with
15 volunteer activity for party committees set forth that, "Campaign materials purchased by the
16 national committee of a political party and delivered to a State or local party committee, or
17 materials purchased with funds donated by the national committee to such State or local committee
18 for the purchase of such materials, shall not qualify under this exemption. Rather, the cost of such
19 materials shall be subject to the limitations of 2 U.S.C. § 441a(d)...".

20 The regulatory language of 11 C.F.R. § 100.87(g) clearly follows the congressional intent.
21 The first clause of the regulation at 11 C.F.R. § 100.87(g) plainly tracks the relevant legislative

² As discussed more fully in the GC Briefs, given the evidence that \$675,926 of the materials were paid for with funds from the DSCC, it is not necessary to quantify the amount of non-volunteer activity in order to conclude that the materials do not fall within the exemption. GC Brief (ADP) at 4, note 5; GC Brief (Knowles Committee) at 4, note 4.

1 history: "[t]o be eligible for the exemption, the campaign materials must be purchased by the State
2 or local party committee. Campaign materials purchased by the national committee of a political
3 party and delivered to a State or local party committee would not come within the exemption."
4 H.R. Rep. No. 96-422, at 193 (1979). The second clause of 11 C.F.R. § 100.87(g) (*i.e.*,
5 "...materials purchased with funds donated by the national committee to such State or local
6 committee for the purchase of such materials, shall not qualify under this exemption.") is a natural
7 corollary to the first clause. *See Explanation and Justification of January 8, 1980 Amendments to*
8 *the Federal Election Campaign Act of 1971*, 45 Fed. Reg. 15,080, 15082 (Mar. 7, 1980). For
9 example, while the DSCC did not purchase the materials at issue and deliver them to ADP, if the
10 DSCC were allowed to donate funds to ADP to purchase the materials, then the exemption at
11 11 C.F.R. § 100.87(g) would be rendered meaningless.

12 Further, even if there is such an "express purpose" requirement, as Respondents argue, the
13 evidence suggests that there existed an understanding between the DSCC and ADP regarding the
14 ADP's planned expenditures for the 2004 election cycle. For example, ADP's Executive Director
15 testified at deposition that (1) the 2004 US Senate race in Alaska was of particular interest to the
16 DSCC, (2) the DSCC had transferred some funds in late 2003 so that ADP could get started on
17 preparations, (3) in February or March 2004 ADP put together a budget estimate for the campaign
18 program up through November 2004, and (4) that she believes that Bill Hyers of ADP had some
19 discussions about the campaign plan and budget estimate with David Hamrick of the DSCC. *See*
20 *B. Gallagher Tr.* at 14, 22, 86 – 91. This general understanding is also supported by the timing of
21 the transfers of the DSCC funds to ADP in September and October 2004, which correlate to
22 disbursements to vendors for the mailers. Given that our Audit Division's modified FiFo (First in-
23 First out) analysis establishes that ADP actually paid \$675,926 for the purportedly exempt

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1 materials with DSCC funds, and that the timing of the transfer of DSCC funds to ADP coincided
2 with ADP's disbursements to vendors for the materials, there is sufficient evidence to demonstrate
3 that the national party funds were donated to ADP for the purchase of the vast majority of the
4 materials, and as such, ADP's disbursements for those materials were not entitled to the
5 exemption.³ See Attachment 1, Alaska Democratic Party Modified First in First out Analysis
6 Recap.

7 Our analysis is consistent with past enforcement decisions. For example, in MUR 3248
8 (New York State Democratic Committee) the Commission found reason to believe that the New
9 York State Democratic Committee violated, *inter alia*, 2 U.S.C. § 441a(f) and authorized the Audit
10 Division to perform an analysis of the committee's financial activity to determine whether national
11 party funds were used in connection with exempt expenditures. The Commission's finding was
12 based on information contained in a referral from the Reports Analysis Division ("RAD")
13 indicating that the committee's 30 Day Post-General Report disclosed transfers-in from the
14 Democratic Congressional Campaign Committee ("DCCC") and the Democratic National
15 Committee ("DNC") of approximately \$256,000, and on the same report disclosed disbursements
16 for get-out-the-vote, voter registration, campaign buttons and various literature totaling
17 approximately \$116,000. However, the ensuing audit found that national party funds had not been
18 used for exempt expenditures (e.g., audit utilized a modified FiFo analysis and determined that
19 there were sufficient non-national party funds available to pay for the materials). The Office of the

³ The "modified FiFo" analysis (also used by the Commission in MUR 3248 (New York State Democratic Committee)), is more beneficial to ADP and the Knowles Committee than the "standard FiFo" analysis. Under a "standard FiFo" analysis, the assumption that all non-national party funds are first exhausted to pay a targeted disbursement is not made. Applying a "standard FiFo" analysis in this matter, the amount of purportedly exempt disbursements paid for with national party funds would be \$849,769. See GC Brief (ADP) at 3, note 3; GC Brief (Knowles Committee) at 3, note 2.

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1 General Counsel, therefore recommended that the Commission take no further action with respect
2 to the committee on the 2 U.S.C. § 441a(f) violation.

3 Similarly, at the reason to believe stage in this matter, a review of the disclosure reports
4 revealed that over three-quarters of ADP's federal receipts in 2004 were in the form of transfers-in
5 from national party committees, and it was unclear from the disclosure reports how much was
6 spent on the mailers and when the disbursements were made. See ADP Factual and Legal
7 Analysis at 20. Audit's modified FIFO analysis conducted after the Commission authorized
8 investigation, revealed that \$675,926 of ADP's disbursements for purportedly exempt materials
9 were actually paid with national party committee funds. There were transfers-in from the DSCC
10 during the same period of time, e.g., September 2004 – October 2004, that there were
11 disbursements by the ADP to vendors to pay for the mailers. The timing of the transfer of national
12 party funds to the State committee during the campaign and payment for the purportedly exempt
13 materials demonstrates that the national party funds were donated for the purchase of the materials.
14 Therefore, these disbursements were not eligible for the volunteer materials exemption and were
15 subject to the Act's limitations.

16 2. **ADP's Disbursements for the Communicative Materials at Issue are**
17 **Subject to the Limitations of 2 U.S.C. 441a(d), Because they were**
18 **Coordinated with the Knowles Committee and no Exemption Applies.**
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_____ Respondents

argue that the GC Briefs include in its totals, payments for communications that are not "public
communications" as defined by 11 C.F.R. § 100.26, including payment for canvassed campaign
materials and lawn signs. *Id.* Respondents further argue this approach is inconsistent with

1 Commission regulations, Commission precedent, and related MUR 5564 (ADP/Knowles
2 Committee). Specifically, Respondents assert that "the Commission's regulations explicitly
3 require attribution against Section 441a(d) limits if a communication is a 'public communication.'"
4 *Id.* at 8, citing 11 C.F.R. § 109.37(a). Respondents further assert that MUR 5604 (Friends of
5 William D. Mason) "explicitly excluded canvassed materials, and also would appear to exclude
6 grass roots materials such as lawn signs" from the definition of "public communication" (citing to
7 MUR 5604, Statement of Reasons ["SOR"] of Chairman Michael E. Toner, and Commissioners
8 David M. Mason and Hans A. von Spakovsky, December 11, 2006), and that MUR 5564 did not
9 take any action against Respondents based, in part, upon a legal theory that communications that
10 were not "public communications" were not allocable against 2 U.S.C. § 441a(d) limitations.
11 Reply Brief at 8 and note 4.

12 None of the precedent cited by Respondents supports the argument that disbursements for
13 communications that are not "public communications" are not allocable against 2 U.S.C. § 441a(d)
14 limits. While the Statement of Reasons in MUR 5604 sets forth that handbills are not public
15 communications, *see* MUR 5604, SOR of Chairman Michael E. Toner and Commissioners David
16 M. Mason and Hans A. von Spakovsky, December 11, 2006 at 5, the Commission did not decline
17 to go forward on that basis, but rather on two other critical distinctions between MUR 5604 and
18 this matter. Specifically, the handbills in MUR 5604 were distributed by volunteers and were paid
19 for with federally permissible funds: "...the hands were those of volunteers, and the Mason
20 campaign had more than adequate federally permissible money to cover the portion of the handbill
21 featuring Senator Kerry." *Id.* at 2. In contrast, most of the materials in question in this matter
22 were mailed by a commercial vendor. Materials distributed by hand were distributed by a
23 combination of paid and volunteer labor. *See* ADP Responses to Questions and Requests for the

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1 Production of Documents, July 7, 2006, at 8f. Moreover, the materials which were distributed by
2 hand were forms of general public political advertising, *see* 11 C.F.R. § 110.11(c)(2)(i)(including
3 "flyers" and "signs" in a listing of printed public communications requiring disclaimers), and are
4 therefore included in the definition of "public communication."

5 In related matter MUR 5564, the Commission found reason to believe that ADP and the
6 Knowles Committee violated the Act based on information indicating that ADP may have
7 coordinated substantial expenditures with the Knowles Committee that exceeded ADP's
8 coordinated expenditure limit through what ADP described as a "Field Program" operating
9 throughout Alaska in 2004. The evidence uncovered during the investigation established that ADP
10 employees who worked on the Field Program devoted at least three-quarters of their time to
11 directly supporting Knowles' candidacy. There were insufficient votes to proceed to conciliation
12 prior to a finding of probable cause to believe, and the Commission ultimately voted to close the
13 file. There were two SORs issued in MUR 5564, and both indicated that canvassing did not
14 constitute a "public communication" under 11 C.F.R. §§ 100.26 and 109.37(a). *See* MUR 5564,
15 SOR of Chairman Robert D. Lenhard, December 31, 2007 at 4; SOR of Vice-Chairman David M.
16 Mason and Commissioner Hans A. Von Spakovsky, December 21, 2007, at 8-9. However, the
17 Mason and von Spakovsky SOR agreed with our Office's analysis that because of the coordination
18 between ADP and the Knowles Committee on the canvassing, and because no exemption applies,
19 the costs associated with the canvassing constituted in-kind contributions or coordinated party
20 expenditures. *See* SOR of Vice-Chairman David M. Mason and Commissioner Hans A. von
21 Spakovsky, December 21, 2007, at 9. Therefore, Respondents' argument that our approach in this
22 matter is inconsistent with the Commission not taking action against them in MUR 5564 is flawed.
23 Both SORs in MUR 5564 set forth that canvassing does not constitute a "public communication."

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1 However, the reasoning in the Mason and von Spakovsky SOR is consistent with our analysis on
2 the key point in this matter that ADP and the Knowles Committee coordinated their efforts, and
3 because no exemption applies, "the costs of the canvassing are in-kind contributions or
4 coordinated-party expenditures," and are therefore subject to the Act's limitations. *See id. citing to*
5 11 C.F.R. § 109.20(b).

6 Assuming *arguendo* that the canvassing and signs are not "public communications," then
7 the non-exempt materials for which ADP paid still constitute in-kind contributions exceeding
8 2 U.S.C. § 441a(d) limits, because the vast majority of the disbursements in this matter were for
9 the design, printing and mailing of the mailers. Of the \$944,331 in total targeted disbursements,
10 \$899,365 constituted payments to vendors for mailers. Of that amount, Audit's modified FiFo
11 analysis determined that \$665,476 of vendor payments were paid for with national party funds.
12 See Attachment 1, Alaska Democratic Party Modified First in First out Analysis Recap. Based on
13 vendor invoices, only \$13,826 of the \$944,331 in total targeted disbursements were related to
14 signs, as follows: Color Art Printing on 10/26/04: \$5,935; Super Signs, Ltd on 10/7/04: \$3,350
15 and on 10/14/04: \$3,350; and The Stake Shop on 9/23/04: \$816, on 10/18/04: \$300, and on
16 10/22/04: \$75. There was an additional \$1,140 in payments to Color Art Printing on 10/7/04 and
17 10/22/04 for which we cannot definitely determine the purpose. Audit's modified FiFo analysis
18 determined that none of these disbursements for signs were paid for with national party funds, and
19 therefore, none of these disbursements are included in the \$675,926 derived as constituting the
20 total amount of disbursements paid for with national party funds. *See id.* The remaining
21 approximately \$30,000 in disbursements were made for door hangers and walking cards. The
22 approximately \$200,000 difference between Respondents' and our figures is due to ADP's failure
23 to include in its calculations a \$200,000 disbursement to AMS Communications on 10/21/04, most

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1 of which was for mailing expenses. Given that the majority of the \$675,926 figure represents
2 disbursements, most of which, related to mailers and mailing, the materials qualify as "public
3 communications" as defined by 11 C.F.R. § 100.26.

4 **B. The "Transfer Down" Provision at 11 C.F.R. § 100.87(g) is Constitutional.**

5 Respondents argue that the "transfer down" provision at 11 C.F.R. § 100.87(g) is
6 unconstitutional as violating the First Amendment because it functions as an impermissible
7 expenditure restriction; it burdens State and national parties' association rights; and, even if it is
8 analyzed as a contribution limit, it is not tailored to meet an important, let alone a compelling,
9 government interest. Reply Brief at 3. Specifically, Respondents assert that the "transfer down"
10 prohibition interferes directly with the ability of different committees within a single political party
11 to associate freely with each other. According to Respondents, "[t]he provision burdens a national
12 party's ability to contribute to State parties and a State party's ability to receive contributions from
13 a national party. If a national party contributes to a State party around the time that the State party
14 purchases volunteer materials, the party may fall subject to a complaint and investigation by the
15 Commission, and incur massive civil fines." Reply Brief at 4. Respondents contend that this
16 places a special burden on minority parties in States which have difficulties raising the funds
17 necessary to engage in effective advocacy. *Id.*

18 In addition, Respondents argue that the provision violates the Fifth Amendment because it
19 discriminates between national and State party committees without a rational basis. *Id.* According
20 to Respondents, the provision also violates the Fifth Amendment because the equal protection
21 clause component of the provision permits State party committees, but not national party
22 committees, to receive the benefit of the volunteer materials exception. Reply Brief at 6.

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1 Respondents further argue that the "transfer down" provision is arbitrary and capricious
2 because the provision is not in the text of the Act itself, *see* 2 U.S.C. §§ 431(8)(B)(ix), (9)(B)(viii),
3 but was added because language in the House Report indicated that "[c]ampaign materials
4 purchased by the national committee of a political party and delivered to a State or local party
5 committee would not come within the exemption." Reply Brief at 6. Respondents contend that
6 the Commission exceeded its authority by adding the prohibition that "in order to qualify under the
7 volunteer materials exception, the materials could not be purchased with funds donated by the
8 national committee to such State or local committee for the purchase of such materials" without
9 any attempt to provide any rationale for the added prohibition. Reply Brief at 7.

10 Last, Respondents briefly note that the pending litigation in *Cao v. FEC*, 08-4887 (E.D. La,
11 filed November 13, 2008), may impact this disposition of this matter.⁴ Reply Brief at 8, note 5.

12 There is a "presumption of constitutionality which attaches to every Act of Congress."
13 *Walters v. Nat'l Ass'n of Radiation Survivors, et al.*, 468 U.S. 1323, 1324 (1984) (Rehnquist, J. in
14 chambers). Respondents have failed to show that the volunteer materials exemption of the Act is
15 unconstitutional, and no court has ever made such a finding. *See* 2 U.S.C. §§ 431(8)(B)(ix) and
16 (9)(B)(viii). Moreover, Respondents' unsupported assertions as to the constitutionality of the
17 Commission's implementing regulation at 11 C.F.R. § 100.87(g) are unpersuasive. "When a
18 challenge to an agency construction of a statutory provision, fairly conceptualized, really centers
19 on the wisdom of the agency's policy, rather than whether it is a reasonable choice within a gap
20 left open by Congress, the challenge must fail." *Chevron, U.S.A., Inc. v. Natural Resources*
21 *Defense*, 104 S.Ct. 2778, 2793 (1984). As previously discussed, *see* Section III.A.1 *supra*, the

⁴ The *Cao* case is a broad sweeping challenge to the constitutionality of most limitations on party coordinated expenditures and direct contributions to candidates. There has been no ruling, to date, on the merits of plaintiffs' arguments. It is unclear as to what change in law, if any, would occur if the plaintiffs prevail.

1 regulatory language of 11 C.F. R. § 100.87(g) clearly follows the congressional intent, because the
2 language of the first clause of the regulation at 11 C.F.R. § 100.87(g) plainly follows the relevant
3 legislative history, and the second clause is a natural corollary to the first clause. *See Explanation*
4 *and Justification of January 8, 1980 Amendments to the Federal Election Campaign Act of 1971,*
5 *45 Fed. Reg. 15,080, 15082 (Mar. 7, 1980).* Therefore, the regulation is entitled to deference. *See*
6 *id. at 2782-2783* ("...considerable weight should be accorded to an executive department's
7 construction of a statutory scheme it is entrusted to administer, [citations omitted] and the principle
8 of deference to administrative interpretations 'has been consistently followed by this Court
9 whenever decision as to the meaning or reach of a statute has involved reconciling conflicting
10 policies, and a full understanding of the force of the statutory policy in the given situation has
11 depended upon more than ordinary knowledge respecting the matters subjected to agency
12 regulations.' [citations omitted]").

13 Given that the Commission's implementing regulations follow the congressional intent
14 expressed in the legislative history applicable to the statute, and that there is no judicial authority
15 indicating the provision is unconstitutional, there is no support for Respondents' arguments that
16 11 C.F.R. § 100.87(g) is unconstitutional, and the Commission may enforce its regulation in this
17 matter.

18 Given that \$675,926 in costs incurred by ADP were not, in fact, exempt under the Act's
19 definitions of "contributions" and "expenditures," that ADP and the Knowles Committee
20 coordinated the non-exempt communications for which ADP paid, that the resulting in-kind
21 contributions exceeded the Act's limitations on what ADP could contribute to the Knowles
22 Committee during the relevant time period, and that the non-exempt materials required
23 disclaimers, there is probable cause to believe that the Alaska Democratic Party and Rolando

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1 Rivas, in his official capacity as treasurer, made excessive in-kind contributions to the Tony
2 Knowles for US Senate Committee and failed to meet the general content requirements for
3 disclaimers in violation of 2 U.S.C. §§ 441a(a)(2)(A) and 441d(a). In addition, there is probable
4 cause to believe that the Tony Knowles for US Senate Committee and Leslie Ridle, in her official
5 capacity as treasurer, violated 2 U.S.C. § 441a(f) by receiving excessive in-kind contributions.

6 **IV. CONCILIATION**

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V. RECOMMENDATIONS

1. Find probable cause to believe the Alaska Democratic Party and Rolando Rivas, in his official capacity as treasurer violated 2 U.S.C. §§ 441a(a)(2)(A) and 441d(a);
2. Find probable cause to believe Tony Knowles for U.S. Senate Committee and Leslie Ridle, in her official capacity as treasurer violated 2 U.S.C. § 441a(f);
- _____
4. Approve the appropriate letters.

April 23, 2009
Date

Thomasenia P. Duncan
Thomasenia P. Duncan
General Counsel

K. H. Guith
Kathleen M. Guith
Deputy Associate General Counsel
for Enforcement

Sidney Rocke
Sidney Rocke
Assistant General Counsel

Christine C. Gallagher
Christine C. Gallagher
Attorney

Attachments:

1. Alaska Democratic Party Modified First In –First Out Analysis Recap

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Alaska Democratic Party - Modified First In First Out (FIFO) Analysis Recap (Conservative Approach)					
Paid with DSCC Funds?	Targeted Disbursement	Date of Disbursement	Amount of Disbursement	Paid with Permissible Funds	Paid with DSCC Funds
Y	AMS Communications Inc	9/20/2004	\$30,050.00	\$10,200.00	\$19,850.00
N	The Stake Shop	9/23/2004	\$816.00	\$816.00	\$0.00
Y	AMS Communications Inc	9/30/2004	\$250,000.00	\$44,032.00	\$205,968.00
N	Super Signs Ltd	10/7/2004	\$3,350.00	\$3,350.00	\$0.00
N	Color Art Printing	10/7/2004	\$625.00	\$625.00	\$0.00
Y	AMS Communications Inc	10/13/2004	\$150,000.00	\$117,350.00	\$32,650.00
N	Super Signs Ltd	10/14/2004	\$3,350.00	\$3,350.00	\$0.00
N	The Stake Shop	10/18/2004	\$300.00	\$300.00	\$0.00
Y	AMS Communications Inc	10/21/2004	\$200,000.00	\$57,493.00	\$142,507.00
N	Color Art Printing	10/22/2004	\$515.00	\$515.00	\$0.00
N	The Stake Shop	10/22/2004	\$75.00	\$75.00	\$0.00
Y	Color Art Printing	10/23/2004	\$15,860.00	\$5,410.00	\$10,450.00
N	Color Art Printing	10/26/2004	\$5,935.00	\$5,935.00	\$0.00
Y	AMS Communications Inc	10/27/2004	\$200,000.00	\$8,465.00	\$191,545.00
Y	Color Art Printing	10/28/2004	\$26,860.00	\$10,499.00	\$16,361.00
Y	AMS Communications Inc	10/28/2004	\$56,595.00	\$0.00	\$56,595.00
Totals:			\$944,331.00	\$268,405.00	\$675,926.00
Percentage of Total:				28%	72%

Attachment

Page 1 of 1